

Attachment D

Declaration of Dani Schneider

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

CONSUMER FINANCIAL
PROTECTION BUREAU,

Plaintiff,

v.

USASF Servicing, LLC,

Defendant.

Civil Action Number: 1:23-cv-03433-VMC

**DECLARATION OF DANI
SCHNEIDER IN SUPPORT OF
PLAINTIFF'S MOTION FOR DEFAULT
JUDGMENT**

I, Dani Schneider, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am a citizen of the United States and am over the age of eighteen years old. The facts set forth in this declaration are based on my personal knowledge. If called as a witness, I could and would competently testify to them.

2. I am employed as an investigator with the Consumer Financial Protection Bureau (“CFPB” or “Bureau”) in the Office of Enforcement. My mailing address is 1700 G Street NW, Washington, DC 20522.

3. I began working as an investigator at the CFPB in August 2013. Prior to joining the CFPB, I worked as an investigator at the Federal Trade Commission (“FTC”) for five years. I have a Certified Fraud Examiner’s License from the

Association of Certified Fraud Examiners. As a Bureau investigator, I research and investigate people and entities that may be violating the Consumer Financial Protection Act and other statutes enforced by the Bureau.

4. I was assigned to work on the Bureau's investigation of and litigation against USASF Servicing, LLC ("Defendant" or "USASF"). My work on this matter included reviewing consumer complaints against Defendant and comparing those complaints to information produced by Defendant to the Bureau.

Consumer Complaints

5. Over the course of this investigation, I accessed the complaint section of the FTC's Consumer Sentinel Network (Sentinel). Sentinel provides law-enforcement members with access to millions of consumer complaints about financial matters and other issues. Over 2,800 federal, state, local, and international law-enforcement entities have access to Sentinel. Sentinel allows these members to access consumer complaints submitted directly to the FTC, as well as complaints shared with the FTC from 45 data contributors, including the Bureau, the Internal Revenue Service, 25 State Attorneys General, and all North American Better Business Bureaus. Sentinel has three categories of consumer complaints: fraud, identity theft, and do not call. Complaints that are categorized as fraud in the system are often about issues broader than fraud.

6. On September 19, 2023 and December 5, 2023, I searched Sentinel for complaints filed against the Defendant or another U.S. Auto entity. I queried the fraud complaints and identified 3,146 complaints related to a U.S. Auto entity. These consumer complaints came from consumers in 38 states and the District of Columbia. The complaints were filed with numerous law-enforcement agencies, including the Attorney General of Indiana, Attorney General of New York, North Carolina Department of Justice, Attorney General of Ohio, Department of Consumer Affairs for the State of South Carolina, Attorney General of Tennessee, the FTC, and the CFPB. The complaints were filed between February 2016 through December 2023.

Consumer Complaint Analysis

7. I downloaded all 3,146 complaints into a spreadsheet. I then reviewed the spreadsheet and removed duplicate complaints from my analysis. I identified duplicates by searching for identical entries in the columns containing the consumer's name, street address, email address, and phone number. If a consumer filed more than one complaint, I reviewed the narrative of all the consumer's complaints but counted the consumer only once. In total, there were 2,086 unique complainants. I reviewed each of these complaints.

Repossessions

8. My review of the complaints reveals that, of the 2,086 unique consumers who filed complaints against a U.S. Auto company, 25 state that their vehicles were repossessed when they should not have been.¹

9. Of those 25 complaints, none were identified as a wrongful repossession in USASF's Written Report 5. USASF produced Written Report 5 in response to Written Report Request 5 in the Bureau's CID dated September 16, 2021, asking Defendant to provide "a report that lists all consumers who were subject to a repossession" between November 1, 2016 until August 31, 2021.

10. I reviewed the 25 complaints of wrongful repossession. These complaints are included in Attachment D-1. Some of these consumers state that they were ahead or on-time with their payments; some made a promise to pay, were under a payment arrangement, or were within their contractual grace period; some state the company repossessed the car for no discernable reason; and one consumer states that her car was paid off when it was repossessed. The complaints

¹ I reviewed Written Report 5, and USASF did ultimately repossess the car in Sentinel Complaint No. 106402138.

do not state how long each repossession lasted. Below are relevant excerpts from representative complaints.²

11. “I have requested my balance in writing [and] called them several times. With no response. They took my car from the mechanic after I made the payment and have not heard from them. And I don’t know where the car is at this point.”³

12. “In the contract it says you have 10 days and a penalty before your car is considered for repossession well 5 days after it was late with no contact or them answering the phone my car got repossessed and now I’m with out a ride and a 20000\$ bill and still can’t get in touch with anyone...”⁴

13. “I was told I can make my payment late because of the pandemic and now they cut my car off and put a repo on it even though I made a payment. Payment amount 219.53 and they said it can be late because it was in deferment[.] [N]ow they put a repo on it and cut it off after we spoke and they took a payment.”⁵

² To the extent the excerpts contain grammatical or spelling errors, they exist in the original complaints.

³ Sentinel Complaint No. 165203644.

⁴ Sentinel Complaint No. 150555596.

⁵ Sentinel Complaint No. 121217606.

14. “My car was taken without my knowledge and the company stated that they contacted me by mail to tell me and I was never contacted my car was not due for repossession I was over paying on my car months ahead”⁶

15. “They stole my car and then falsified paperwork saying it was a voluntary repo. The car was stolen I reported it as stolen. I never missed a payment I was not behind on my payments there was no reason for the car to be repossessed it was an illegal repo. In other words it was not repo they stole the car. So the paperwork being provided to the credit bureaus is false. Everyone within US Auto is aware of it they know what they did is wrong. Also they are saying i owe them money when i do not owe them anything.”⁷

16. “I contacted my lender and set up a payment arrangement. This was at the start of covid. My arrangement wasn’t [honored]. I was charged extra fees and eventually lost my vehicle. I have [numerous] conversations and recordings. I even spoke with legal aid. Nothing they offered was kept up on my lenders end. My car was taken and I wasn’t notified. There was so many tools,

⁶ Sentinel Complaint No. 163662473.

⁷ Sentinel Complaint No. 125642815.

cloth, money, etc inside my property. The car was resold and I was even sent a bill afterwards.”⁸

17. “I get paid bi-weekly and we made it agreement to pay bi-weekly they repo my car within 5 days after payment I made a payment on February 17th 2020 I get paid bi-weekly my next payment was March 12th they repo my car [on] the 17th.”⁹

18. The last date of a wrongful repossession in Written Report 5 is August 16, 2021. My review shows that consumers complained of USASF’s wrongful repossession after this date, including as late as May 19, 2023.

Disables

19. Of the 2,086 unique complaints against a U.S. Auto entity, 106 consumers state that their vehicle was disabled in error. Some of these consumers state that their car payments were on time when the ignition was disabled and some consumers state that the Defendant’s starter interruption devices (SIDs), sometimes referred to as kill switches, caused their car to malfunction. Below are relevant excerpts from six representative complaints:

⁸ Sentinel Complaint No. 152480039.

⁹ Sentinel Complaint No. 117490409.

20. “My after purchase experience with US Auto Sales has been LESS than stellar. They have disabled my vehicle twice because of their shortcomings. I purchased my vehicle in August 2019. I made my first payment only for them to disable the car due to a formality with insurance paperwork. Progressive’s system does not allow someone’s full middle name to be recorded in it. The car was registered and sold to me in my full legal name, US Auto disabled my car. I had to use my extended warranty to get a tow to the Mazda dealership. Mazda ruled out that it wasn’t anything on their end that was messed up. Mazda determined it was the after market LOJACK system that US Auto installed on the [vehicle] prior to my purchase that was the issue. The car then had to be transported by tow truck to RPM Automotive to have a new LOJACK system installed. This put me without transportation for almost 8 days. While without the vehicle, Progressive had to call their accounting department to get the naming convention straightened out. Not even 2 weeks later, I make another payment on 10/10/19, they disabled the car again. When I made the payment, their automated system experienced a glitch on 10/10/19. Their system lost my payment. I’ve called and supposedly they were to fix it on 10/17/19. I was able to drive the car home. On 10/18/19, the car is disabled again, and I am unable to drive it. It is ridiculous, that I am holding true to my end of the contract, but not able to drive the car I am paying for. This fiasco

has been their issues, and nothing to do with me not paying or having insurance on the vehicle since I purchased it.”¹⁰

21. “My car is fully paid, I have the title and all of a sudden my car stop[s] running and its giving me a signal that I need to pay. My car was fully paid since early this year and I have the title in my hand. Last Thursday (Aug 27) while I was trying [to] start my car, all of a sudden it wont start and giving me a signal that I need to make a payment, so I called Michelle and she said she will have to send an email all that, keep calling everyday and Monday (Aug 31) finally another rep called from Customer Care name is Kayla and said that someone from Suretrack, LLC will call to schedule to come today (Sept. 5) to remove the device out of car in order to start and yesterday I even called to confirm and said that someone will come between 9-10 AM, and it is now 3:12PM and no one showed up, no one called been calling USAuto sales rep Michelle, emailed Kayla, called a hundred times to Suretrack and left messages not even one soul have returned my call, to say I am pissed is understatement, I am Livid as I only have today as a day off (I work in hospital) and I have lots of errands to do, plus moving on Monday from my current [residence]. My car is paid off, USAuto sales have no RIGHT to

¹⁰ Sentinel Complaint No. 113564507.

have my car stop running for non-payment. This is not right, and violation of contract, the fact that it is fully paid and I have my car title in my hand. I want USAuto sales to have this resolve URGENT. I called Michelle again and all she can say is she cannot do anything about this, so what now? I will be stuck with a car not running? Even if it is fully paid?”¹¹

22. My car was disabled on 02/23/2020 and there has not been a late payment and now today it was disabled on 03/04/2020 and there is no late payment. . . . I have called in to their automated system and made my payment via the phone pay system at 866-386-1290 since their website has been down and I’m unable to make a payment [there]. I had to make an extra payment of 243.50 on 02/23/20 in order to get my car turned on that night. I previously made a payment of 253.80 on 02/21/2020. When I called in on 02/24/20, after speaking with a representative, they explained to me that my payments were crediting to my account improperly. They stated that payments were going directly to the car payment and not to the insurance because I was making them over the phone. I then went to explain that the website was down and they stated that it was up and going and they would send a link. Link of course didn’t work and they assured the

¹¹ Sentinel Complaint No. 122853086.

site was up. I called back in on 02/28/2020 and spoke with a rep and explained that I had previously called in and spoken with someone about my car being disabled and I could not afford for this to happen b/c I'm working full time, in school and have a child with a chronic illness and if I'm making on time payments, I shouldn't be having a disabled car that I'm overpaying for. She assured me that it was happening again due to the insurance not being credited and that she would be correcting it and that I didn't owe another payment until 03/20/2020. . . . This morning (03/04/20), I get up to go to school, which I cannot be late and have absences b/c this is nursing school and hours are counted and every moment is critical, my car is disabled. They of course don't open until 9AM and now I'm missing class and this will count against me. I call the automated number and it states I have a pass due balance of \$71.00 which makes absolutely no [sense]. This company is a scam, takes your hard earned money, disables your car and has you on their time and you almost have to pay extra to keep your car on and going to not miss work or continue with life. You call in and the reps act as if they are unsure about a lot of things at first until you demand to know what's going on. They will keep demanding money b/c they know you're needing your car and can continue to take advantage of you and your money. . . I want the disable feature taken off of my car b/c I'm making payments on time and if I don't have my car, I'm risking

failing out of nursing school which I have worked so hard for, losing my job and also not being able to take my daughter with Sickle Cell to the doctor or the emergency room when needed. This is absolutely ridiculous and terrible.”¹²

23. “US Auto disabled my [car] after the payment was made. Their website clearly displays my payment due date as July 28, 2019 . . . I made my payment July 19, 2019 and my vehicle was disabled after I made the payment. No one is ever available during regular business hours to return calls, no one updates their system to show that the payment has been made and it has cost me a days pay at work because I couldn’t use my car because US Auto disabled it. I tried calling through out the day, only to be able to get through to the automated system telling me that they were closed. No emergency contact info to handle situations like this. Chat reps are extremely rude and disconnected chat while I was explaining the problem. . . . This is NOT the first time that this has happened and I’m sure it will not be the last time.”¹³

24. “The device they put in my car to assure the car payment is made on time has malfunctioned and caused my car not to work for over a month. I am up to date on all of my payment and before I had my car towed they assured me the

¹² Sentinel Complaint No. 117343131.

¹³ Sentinel Complaint No. 142659476.

pass time device was NOT the issue although I told them I thought that was the issue. 3 weeks later that's the ONLY thing wrong with my vehicle. Now I have missed days from work and accumulated huge fees for Uber. They told me a mechanic would go to the shop and a new device would be put in my car on Thursday, July 1st. It is now Wednesday, July 7th and my car still isn't fixed. The company has to send the device because it is not something that can't simply be ordered online. They have to order it. I have been without a car for 6 week because of the device the car company put in my car. This is unacceptable and i pay my bill on time. There's no way customers get treated like this. I have a child to tend to and can't even get back and forth. I'm very unhappy.”¹⁴

25. “This is the latest issue with them on a long list. I called yesterday 7/19/2021 about getting an extension for my car note of \$195.32. I spoke with a representative who per his supervisor wasn’t able to grant me the extension without making a partial payment. I asked to speak to the supervisor who reiterated what he said for her to turn around and say that i could make the full payment arrangement for the Friday 7/23/2021. She sent me over to Tina to help me set up the arrangement. I verified that my car wouldn’t be shut off for non-payment. I go

¹⁴ Sentinel Complaint No. 137903015.

to start my car this morning 7/20/2021 and it was disabled. This is my only means of transportation and it is effecting my job.”¹⁵

26. Moreover, hundreds of the complaints relate to poor customer service, inability to make payments through the online portal or the phone system, consumers being sold a lemon or stolen vehicle, and the Defendant reporting incorrect information to the credit reporting bureaus.

27. In accordance with privacy policies of the Court and the Bureau, Plaintiff’s Attachments have been redacted to protect personally identifiable information. Original documents are available to the Court upon request.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 20, 2023

DANI SCHNEIDER Digitally signed by
DANI SCHNEIDER Date: 2023.12.20
12:31:45 -05'00'

Dani Schneider
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552
Investigator

¹⁵ Sentinel Complaint No. 142683324.